



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Child Development
and Early Education

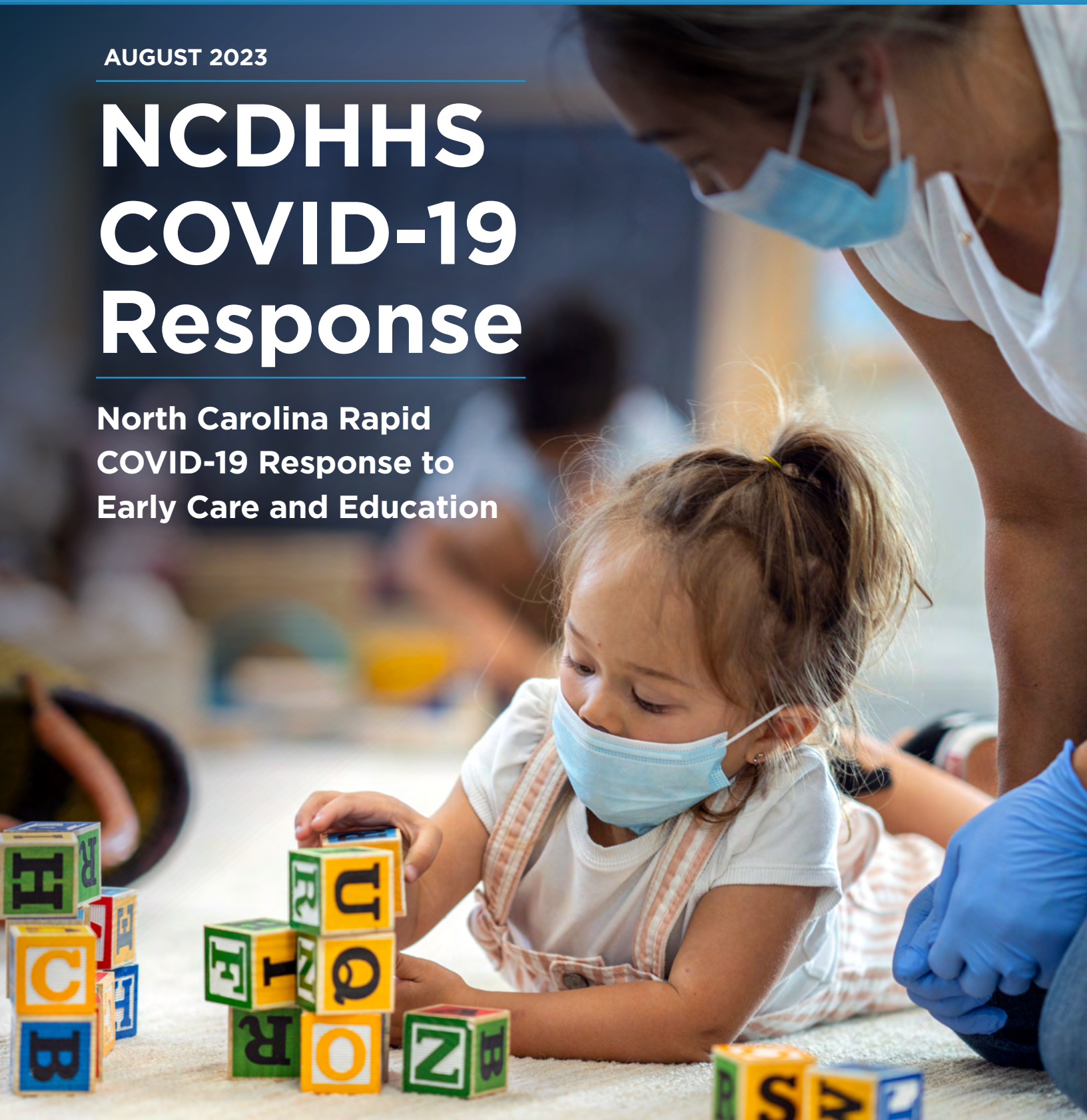


**FRANK PORTER GRAHAM
CHILD DEVELOPMENT INSTITUTE**

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NCDHHS COVID-19 Response

**North Carolina Rapid
COVID-19 Response to
Early Care and Education**



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Executive Summary

- The COVID-19 pandemic imperiled the North Carolina early care and education system's capacity and ability to retain a qualified workforce.
- Coordinated efforts across the North Carolina General Assembly, Governor's Office, and state agencies resulted in effective use of emergency state and federal funds.
- Despite drops in enrollment and workforce challenges, the early care and education infrastructure was preserved. Fewer programs closed and more spaces were preserved than expected based on pre-pandemic trends and concerns for widespread closures in both center-based and family child care programs.
- Stabilization efforts were successful but the end of emergency funds puts those gains at risk.
- North Carolina's early care and education system continues to have long-standing structural problems, not unlike many other states, that make it challenging to fully meet the needs of working parents, ensure equitable access to high-quality programs, as well as retain and track a well-trained and well-compensated workforce.

Introduction

During the COVID-19 pandemic, the North Carolina Department of Health and Human Services (NCDHHS) launched a complex and evolving pandemic response with a strong equity focus that included vaccine rollout, the ChildCareStrongNC and StrongSchoolsNC (K-12) toolkits, temporary federal Pandemic – Electronic Benefits Transfer (P-EBT) program, and among other priorities, a focus on the health and safety of children and staff in child care/early care and education (ECE) programs. One NCDHHS division, the Division of Child Development and Early Education (DCDEE), was responsible for supports related to the ECE system in North Carolina. In this brief, we describe the challenges that the COVID-19 pandemic raised for children and the ECE workforce who cared for them, in addition to impacts on employment for parents of young children. We also describe the coordinated response to ECE challenges at the state level, including the prevention of permanent closure of many ECE programs that faced extended closures and the phased reopening of these programs conducted with guidance and resources to support child and workforce health and safety. Finally, we examine the resiliency of the ECE system and share lessons learned.



March 2020: Mandatory Closures/Parents Out of Work

In March of 2020, changes to in-person employment related to the COVID-19 pandemic required many non-essential employees to stay at home. With the early spread of the COVID-19 virus and little knowledge about the mechanism of spread, contagion, and health consequences of contracting the virus, public health guidance suggested that families stay home and keep their children out of group settings.

North Carolina (NC) allowed early care and education (ECE) providers to remain open with a focus on serving essential workers. Some programs that remained open shifted to online services, but this did not fully meet the child care needs of working parents, particularly those on the frontlines of combating the virus, those keeping core infrastructure supported, or those who otherwise had to work outside of the home. By April of 2020, 44% of the nearly 5,000 licensed child care programs in the state had closed, at least temporarily, and many more were at risk of closure.¹ Center-based programs were more impacted by closures (53% closed) than family child care homes (15% closed). This report summarizes the rapid response of NC's community of early care and learning professionals.

Threats to the System

Prior to the COVID-19 pandemic, the ECE system was already vulnerable due to lack of access to affordable child care for many families and the inability of most ECE programs to financially attract and retain qualified staff due to low wages in the field.² The COVID-19 pandemic exacerbated these issues because of reduced enrollment and the additional cost of new sanitation and personal protection equipment (PPE) requirements. Without intervention, the ECE system was under threat of collapse, which would have made economic recovery more challenging if parents were unable to reenter the workforce.

In North Carolina, fear of contracting the COVID-19 virus in addition to stay-at-home orders forced many families to keep their children enrolled but staying at home or disenroll their children entirely from ECE programs.³ Largely funded through parent fees and public systems that base reimbursement on enrollment and attendance, ECE providers struggled to pay staff and to keep their programs open. "We had a loss of 90% of our children and four staff members due to the fear of getting COVID-19," said a center director from Cumberland County. Another director from Ashe County also expressed the difficulties brought on by the pandemic, saying, "Due to COVID-19, some staff elected to stay home when the pandemic began and have yet to return. Due to fewer staff, we have fewer children enrolled. It is a struggle trying to hire new staff who have experience and education. Funding is down and we are open reduced hours due to a lower number of staff, which is hard on parents. The pandemic has also added stress and worry of someone coming into the building that has COVID-19."⁴ Without substantial financial support, many child care centers faced the possibility of permanent closure.

¹ Rivest, M. (2020, June 22). The Status of Child Care Programs in North Carolina. North Carolina Early Childhood Coalition. <https://www.ncearlyeducationcoalition.org/wp-content/uploads/2020/06/Status-of-Child-Care-by-County-6.22.20.pdf>

² Child Care Aware® of America. (2022, March 2). *The US and the high price of child care: 2019*. Child Care Aware® of America. <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>

³ NCDHHS Division of Child Development and Early Education. *NC Early Care and Learning Dashboard*. <https://ncchildcare.ncdhhs.gov/Home/Data/Dashboards/NC-Early-Care-and-Learning>

⁴ Child Care Services Association (2021). *Infant-Toddler Educator AWARD\$® FY21 Final Report*. https://www.childcareservices.org/wp-content/uploads/AWARDFinalFY21_FULL.pdf

Federal COVID-19 Relief Funding for Child Care

Federal relief funds related to the COVID-19 pandemic were allocated for the purpose of sustaining and stabilizing the ECE system in order to support parental employment and contribute to national economic stability. These efforts were facilitated and funded through three federal acts which are described in the section below: (1) the Coronavirus Aid, Relief, and Economic Security (CARES) Act, (2) the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and (3) the American Rescue Plan Act (ARPA).

2020: The CARES & CRRSA Acts and CCDF Funds

Baseline funding for the Child Care and Development Fund (CCDF) continued and the CARES Act was signed into law on March 27, 2020, followed by the CRRSA on December 27, 2020, for the purposes of preventing, preparing for, and responding to COVID-19. Both Acts contained funding to provide for child care providers' general operating expenses, including the allowance of federal child care funds to be allocated to child care providers despite decreased enrollment or closures. Funds were directed to be used for operational costs and increased expenses due to the pandemic, as well as for cleaning and sanitation activities. State agencies were encouraged to require the continued payment of staff. This flexibility allowed programs that received funding through the CCDF block grant (e.g., child care subsidies) to be based on enrollment numbers rather than attendance, as was required pre-pandemic. Bonus payments that were made possible through CARES and CRRSA funds were also offered to teachers and staff in North Carolina in an effort to retain the existing early care and education workforce, and ideally to incentivize staff to return to their pre-pandemic place of employment.

2021: The American Rescue Plan Act

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. \$24 billion were allocated by the U.S. Department of Health and Human Services (US DHHS) Administration for Children and Families (ACF) to states, territories, and tribes in the form of a CCDF Child Care Block Grant and Stabilization Grant allocations on April 14, 2021.⁵ Stabilization Grant programs were created by lead agencies (states, territories, and tribes) with funds that could be used for a variety of purposes, including administering the program, keeping ECE providers open, and paving the way for strong economic recovery. By July 1, 2021, lead agencies provided plans to fund CCDF state plans and to allocate 50% of funds by December 11, 2021.

North Carolina Rapid Response: NC Division of Child Development and Early Education

Two major initiatives were undertaken by Governor Roy Cooper's Office, NC State Legislature, and the NCDHHS DCDEE to stabilize and bolster the ECE system in North Carolina. First, federal funds were allocated directly to ECE providers. From April 2020 through August 2021, 4,400 flexible Operational Grants totaling \$213.8 million were issued to ECE providers, and ARPA-funded Stabilization Grants were distributed starting in November of 2021. The second group of efforts included funding from the NC General Assembly, flexibility in the enforcement of licensing requirements, pandemic child care payments (reducing/waiving parent fees), child care staff bonus payments, funds to purchase PPE, coverage of parent fees and subsidies, and the provision of PPE and COVID-19 testing supports (2020 efforts illustrated in Figure 1). The Emergency School-Age Family Support Program also provided financial assistance for child care to parents/primary caregivers with a school-age child who attended a licensed child care facility between October-November 2020. Coronavirus Relief Funds (CRF)

⁵ First Five Years Fund (2021). How and when federal child care relief funds will be distributed. Washington, D.C.: First Five Years Fund. <https://www.ffyf.org/timeline-deadlines-for-states-to-use-federal-child-care-relief-funding/>

were appropriated by the NC General Assembly Senate Bill 808 in July 2020 and Senate Bill 1105 in September 2020. IT systems and infrastructure were also modernized to enable rapid tracking and distribution of funds and to provide remote learning resources for the North Carolina Pre-Kindergarten Program (NC Pre-K). Recipients of funds included child care providers, child care staff, families, children, and NC Pre-K programs. As demonstrated in detail below, NCDHHS quickly pivoted to meet the changing needs of ECE providers.

Chronological Description of the COVID-19 Response

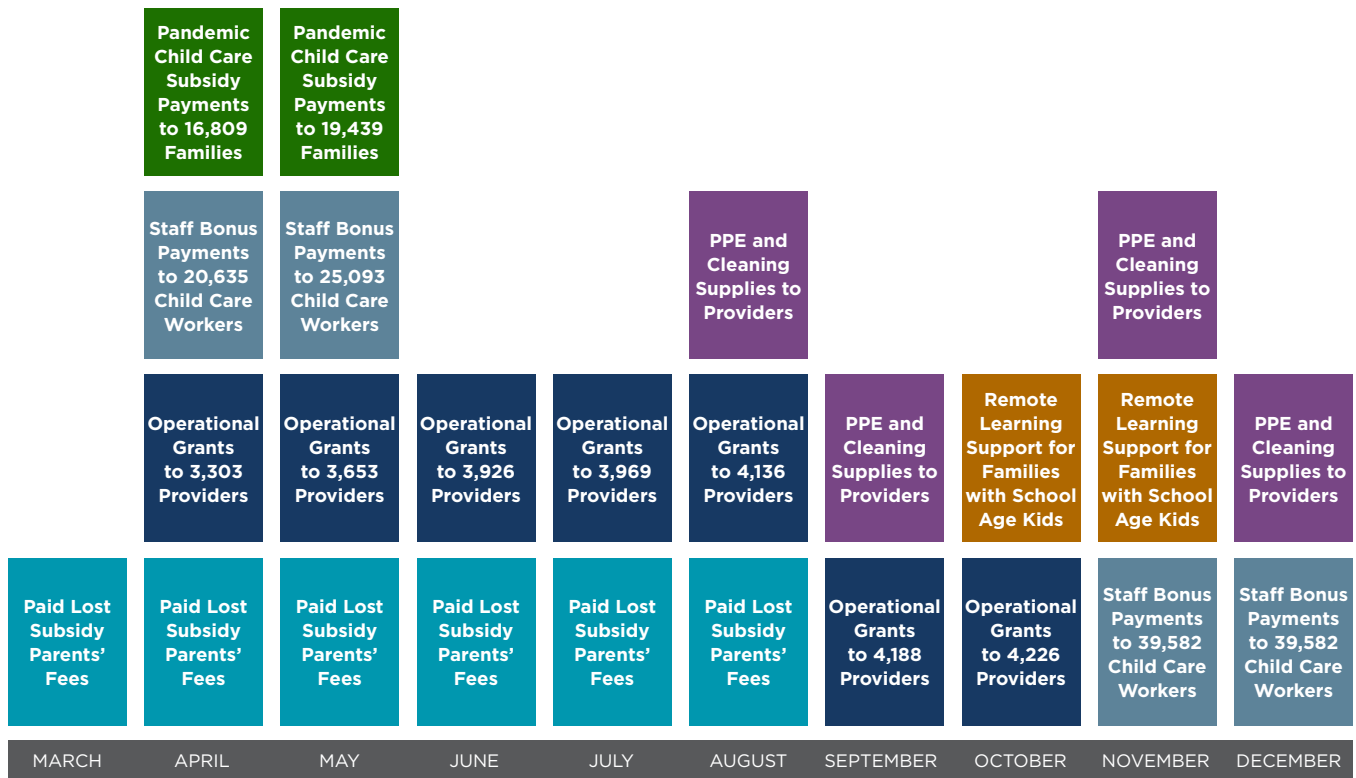
As part of the larger NCDHHS response to the COVID-19 pandemic, the DCDEE response officially began on **March 16, 2020**. The Division issued official communication regarding the health crisis at this time, releasing guidance for child care providers to make informed decisions about the operating status of their facilities. This guidance emphasized minimization of risk to staff and children at child care facilities. Additionally, both child care licensing consultants and child care health care consultants were made available for questions. A key financial determination was made when the Division communicated its decision to pay Child Care Subsidy and NC Pre-K for the entire month of March, regardless of child and student attendance. During the next few days, more guidance was released to the public; on **March 17th**, the NCDHHS Secretary's office built upon the previous communication and released official COVID-19 guidance for child care facilities, and on **March 18th**, the Division modified regulatory rules, temporarily pausing regulatory and environmental rating visits to comply with public health orders.

On **March 23rd**, a toll-free number was set up for families with essential workers seeking available child care. To facilitate the process of finding child care placements for essential workers, NCDHHS announced that all open child care facilities, which were only open for essential workers at the time, were required to submit a daily report of their open/closed status, vacancies, staffing, and needed resources. Regional Child Care Resource and Referral (CCR&R) agencies responded to calls to assist essential workers with finding child care. On **March 26th**, an application was released that would allow child care facilities to reopen starting April 1st. At this time, personal protection equipment (PPE) was more readily available which allowed the state to lift some COVID-19 restrictions. To provide further financial help, NCDHHS also released financial assistance information at this time and determined that all NC Pre-K programs would be paid until the end of the school year based on pre-pandemic attendance from February 2020. The CARES Act was signed into law on **March 27, 2020**, allocating relief funds to states to be used for immediate assistance to child care providers.

Starting **April 1st**, child care facilities were allowed to reopen and parents with incomes up to 300% of the federal poverty level were allowed to apply for financial assistance for emergency child care. The following week, on **April 8th**, NCDHHS launched a Provider Portal for the Emergency Child Care Subsidy Program, which was to be used by providers who were accepting enrollment of and serving new children of essential workers. At the end of April, NCDHHS's actions were geared towards helping child care providers and administrators to offer bonus payments to child care teachers and staff for the months of April and May and cover the employer portion of payroll taxes and other administrative costs.

⁶ NCDHHS DCDEE (2021). Presentation given by Susan Gale Perry to the NC Early Childhood Caucus on June 22, 2021. The Latest Updates from NCDHHS. Raleigh, NC: NCDHHS DCDEE.

Figure 1. Layered Early Childhood Pandemic Supports Provided in 2020.⁶



The month of May began with an explicit focus on child care providers' mental health. As emphasized by a report from the Infant-Toddler Educator AWARD\$[®] program, the stressors of the pandemic, including financial strain, have had significant impacts on providers' mental health. A report from the program emphasizes, "Economic insecurity impacts teacher well-being, and can have consequences for the quality of interactions they have with the children in their care. Stress and adversity can affect the health of teachers and thus how effective they can be in promoting the supportive environments and engaging interactions children need. Especially now, easing financial stress is critical for the participants, their families and for the children they serve."⁷

This emphasis on mental health led NCDHHS to partner with the NC Psychological Foundation on **May 1st** to establish the Hope4Healers Helpline, with a primary goal of connecting front line workers to licensed mental health professionals 24 hours per day, 7 days per week.

NC was one of the first states to distribute funds to sustain ECE infrastructure through the CARES Act. On **May 14th**, NCDHHS announced the provision of flexible Operational Grants available to licensed child care facilities that were open and serving children in-person at any time during the months of April, May, and June. NC also provided some bonus payments to ECE teachers and staff working in open programs. Including other emergency funding and hold-harmless policies for subsidy and NC Pre-K funding, these interventions totaled over \$300 million.

⁷ Child Care Services Association (2021). Infant-Toddler Educator AWARD\$[®] FY21 Final Report. https://www.childcareservices.org/wp-content/uploads/AWARDFinalFY21_FULL.pdf

In July, NCDHHS provided parents with additional financial assistance. On **July 23rd** the Division announced that families would not be required to pay parent fees for July 2020; in addition, the state of NC would be responsible for parent fee payments to providers who were operating with “open” status during the month of July. The Division addressed a critical ongoing supply issue the following day on **July 24th**, sending each open child care provider personal protective equipment (PPE) and cleaning supplies. This action was vital at a time when PPE and cleaning supplies were difficult for providers to access but much needed for the safety of child care providers and attendees.

The North Carolina Session Law 2020-97, or the Coronavirus Relief Act 3.0, allocated NCDHHS \$35 million to provide additional Operational Grants to licensed ECE providers, who were open to serve children with in-person learning. Funds were allocated based on the formula used to distribute previous Operational Grants. This formula took into account size of program.

By December of 2020, almost all ECE programs had reopened (93% of center-based programs, and 97% of FCCH).

The aforementioned actions occurred at the beginning of the pandemic in 2020, highlighting the DCDEE’s rapid response to the mounting health crisis. DCDEE continued to work to provide aid for families and providers – extending the provision of Operational Grants through the Fall of 2020 and the provision of bonus payments for ECE teachers and staff in November and December 2020. On **December 27, 2020** the COVID-19 Economic Relief Bill was signed into law providing additional funds for Operational Grants, followed by the American Rescue Plan Act signed into law on **March 11, 2021** to provide states with funds to rebuild their economies post-pandemic, an integral piece being additional funding for child care.

NC once again led the way in immediate distribution of funds, and on **October 7, 2021**, \$805 million in North Carolina Child Care Stabilization Grants were announced. The NC General Assembly quickly allocated these funds to NCDHHS DCDEE allowing DCDEE to quickly design, publicize, launch, and provide support for the Stabilization Grant process. North Carolina launched their Stabilization Grant application process, beginning on **October 11, 2021**.

Stabilization Grants were designed to support working families by providing access to high-quality, affordable child care. They also aimed to help programs to provide better wages and benefits to teachers. NC quickly developed an online portal to execute the application process, approve applications, and distribute and track funds to ensure that Stabilization Grants were awarded to ECE programs quickly. Further results will explore the impact on providers.

By **February 10, 2022**, North Carolina Governor Roy Cooper announced that \$335 million had been distributed through the program to more than 3,900 ECE providers.⁸ The impact on the NC ECE system as of March 2022 is described in detail below.



Stabilizing the Number of ECE Programs

Fewer ECE Programs Closed During the Pandemic

Based on the reduction in child care enrollment and the loss of staff due to illness and resignation, we would expect for the number of child care programs that closed in 2020 and 2021 to have exceeded the year prior to the pandemic (2019). Additionally, ECE programs often operate on thin financial margins and rely on month-to-month parent fees and/or attendance-based subsidies to continue their operations. As such, without intervention we would expect that ECE programs already closed as of March 2020 would likely have faced imminent permanent closure without intervention (see Figure 2). However, by 2021, 5,609 programs were operating in North Carolina rather than the expected number based on pre-pandemic trends which would have been 4,957 ECE programs. Further, if the programs that were closed in March of 2020 had closed permanently, only 3,599 programs would have been expected to be in operation by 2021. These data reflect a 13% rebound in the number of ECE programs operating in North Carolina compared to pre-pandemic expectations. When also considering the scenario of permanent closure for ECE programs closed as of March 2020, the system was stabilized by 56%.

Stabilization in the rate of closures was meaningful for center-based programs (decreased by 26% from expected) but the decrease in the rate of expected closures was even larger for family child care homes (decrease in expected closure rate of 57%). Based on pre-pandemic trends, we would have expected 408 family child care homes to close, but the number was actually 248, an overall reduction of approximately 41% in closures in 2020 and 2021 (n=240). Furthermore, we would expect that the reasons cited for closure in the financial and medical categories to be higher during the pandemic than pre-pandemic. In fact, a stabilizing trend was observed; only about 8% of ECE programs reported closing for financial reasons in 2020 and only 4% of programs cited financial reasons by 2021, compared to 6% pre-pandemic. Although the overall number of closures declined during the pandemic, medical reasons (including COVID-19) were cited more frequently as reasons for closure during the pandemic, increasing from 7% in 2019 to 23% in 2020 and 25% in 2021. In sum, we would have expected programs to have closed at the same rate or greater during the pandemic, a trajectory that was not observed.

When looking at trends in the total number of ECE programs/facilities, the total numbers also decreased less than expected had a pandemic not occurred (see Table 1 and Figure 2). We do not know how many programs were at risk for closure due the pandemic itself, but the current state of the NC ECE system seems to be bolstered, even by pre-pandemic metrics. The total number of ECE providers reduced by 4% less than would have been expected based on pre-pandemic trends. As shown in Figure 3, most of the stabilization or decrease in closures was seen in family child care homes (14% fewer closures than expected) compared to centers (0.65% fewer closures than expected).

⁸ Child Care Services Association (2021). Infant-Toddler Educator AWARD\$® FY21 Final Report. https://www.childcareservices.org/wp-content/uploads/AWARDFinalFY21_FULL.pdf

Figure 2. Observed trends in the number of ECE providers did not indicate sustained pandemic-related closures and even suggested rebound above pre-pandemic rates of closures.

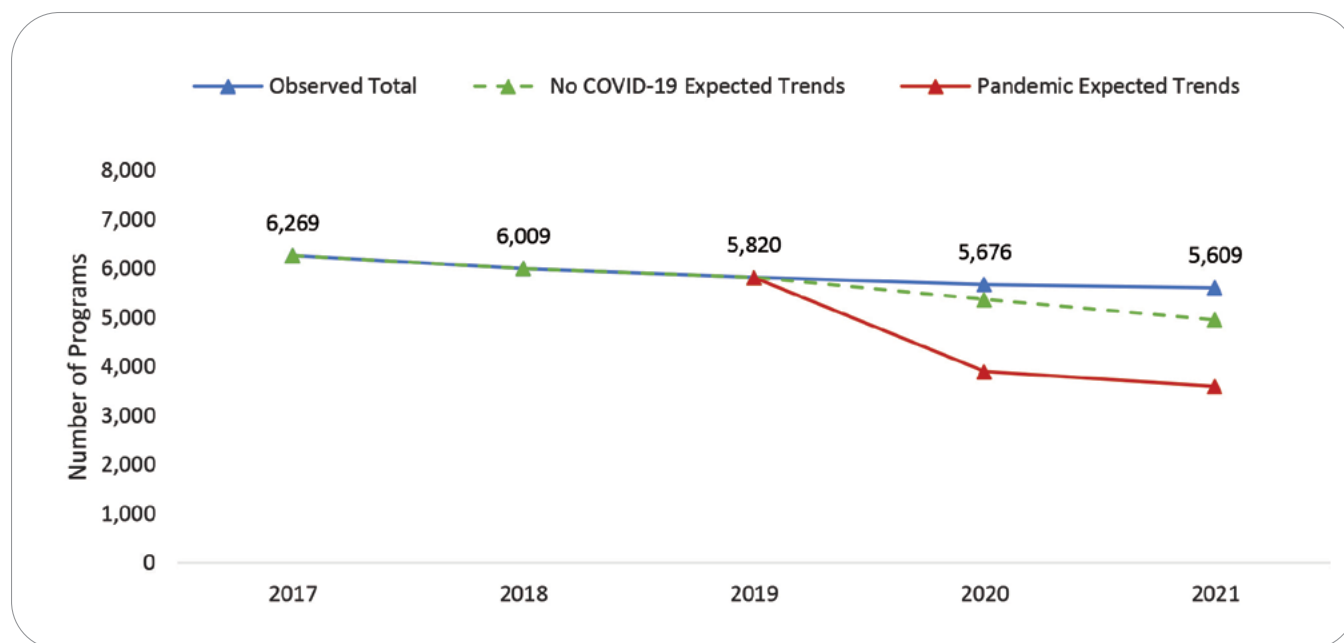
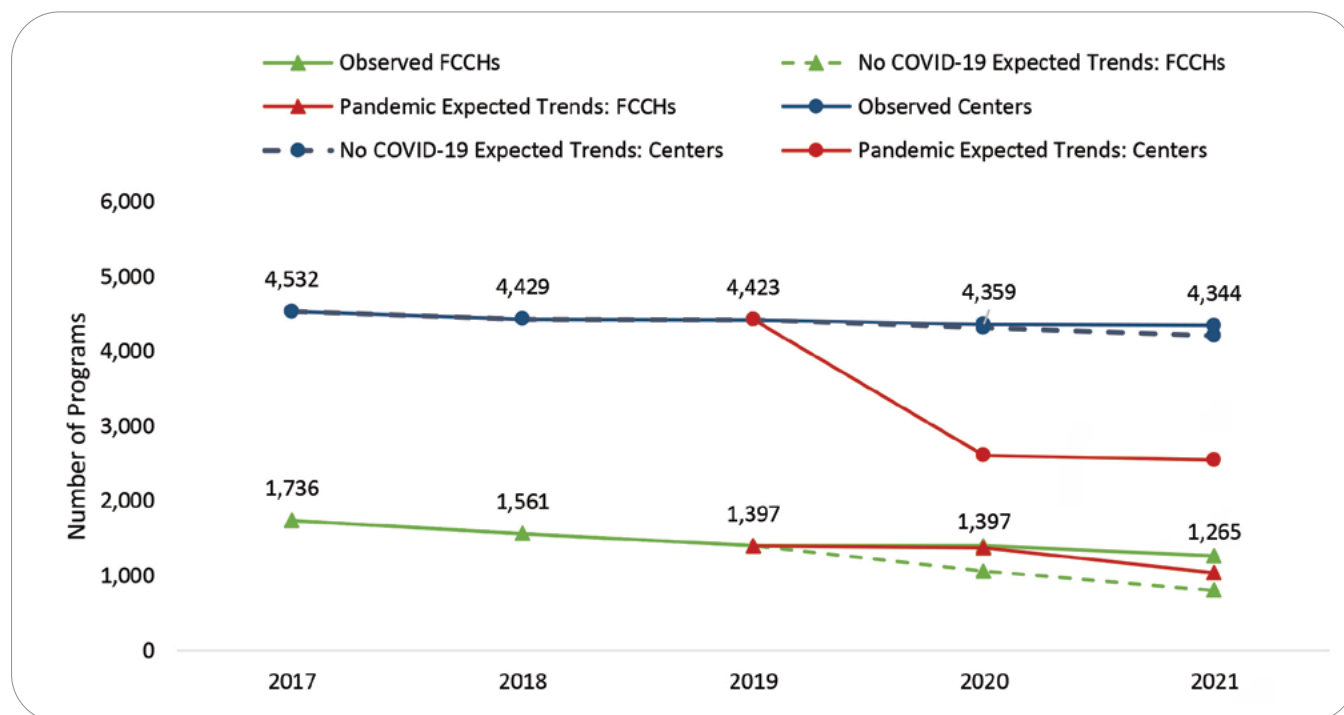


Figure 3. All programs stabilized above expected rates, but family child care homes remained open at higher rates (98%) as of May 2020 compared to center-based programs (59%) and stabilized at higher-than-expected rates compared to center-based programs.



***Note:** The full effect of the pandemic on the supply of child care in NC may never be known. These projections are based on at least 33% of programs that remained closed as of May 2020 and the pre-pandemic rate of closure between 2017-2019 extrapolated to 2019-2021 trends.

Overall Enrollment Declined, but ECE Capacity was Preserved

Child care capacity was preserved relative to pre-pandemic numbers, despite there being a greater than expected dip in enrollment of children within those licensed spaces (Table 1). Whereas licensed capacity only decreased 0.62% more than expected based on pre-pandemic trends, enrollment across the state decreased by 12%. Enrollment declines were higher than expected for infants and toddlers in particular (16%) when compared to the expected rate of change in enrollment for preschoolers (10%).

Table 1. Pre and Post-Pandemic Statewide Child Care Capacity and Capacity/Closure Trends Birth to Five.

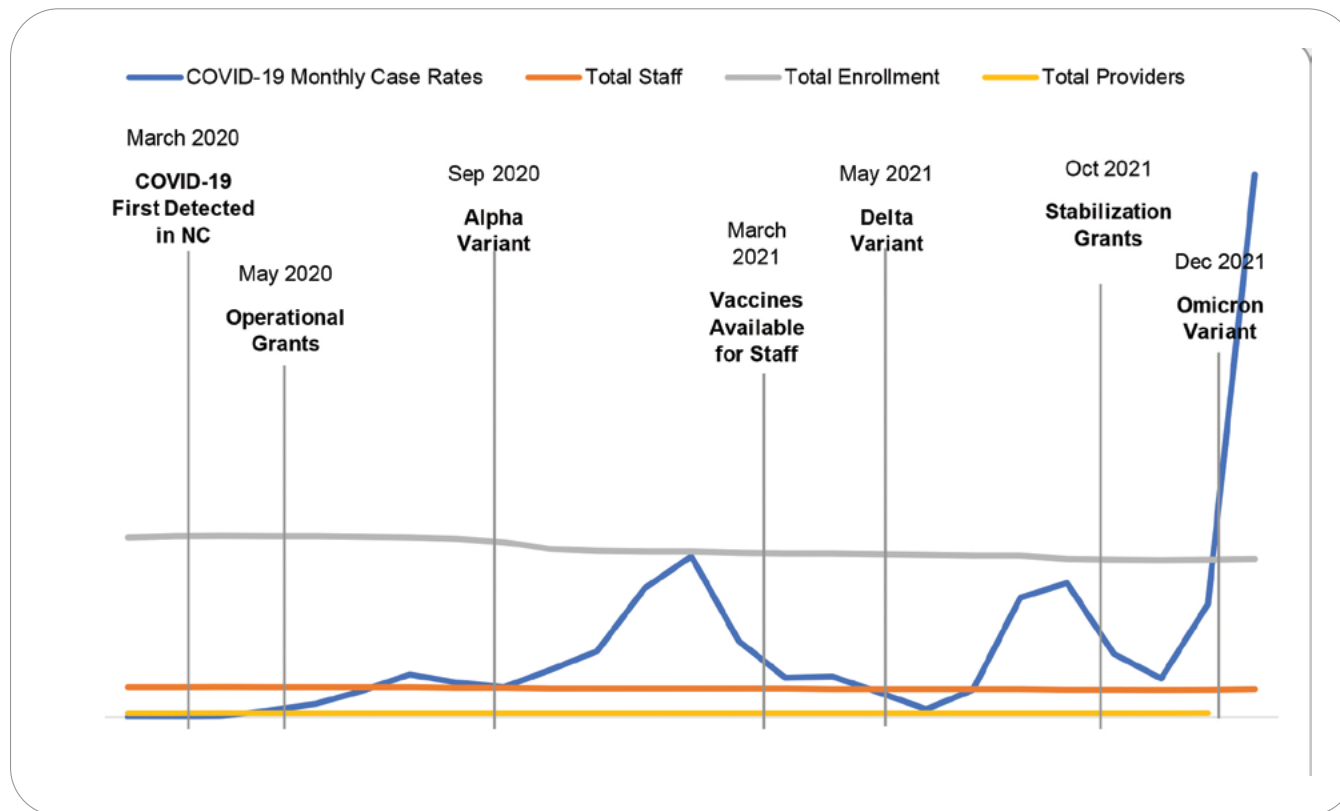
YEAR	TOTAL CHILDCARE LOCATIONS	FAMILY CHILDCARE HOMES	CENTERS	TOTAL LICENSED CAPACITY	ENROLLMENT TOTALS	INFANTS & TODDLERS (BIRTH-2 YEARS)	PRESCHOOLERS (3-5 YEARS)	TOTAL STAFF
PRE-PANDEMIC								
2017	6,269	1,736	4,532	454,603	245,065	66,836	178,229	41,439
2018	6,009	1,561	4,429	449,541	242,366	67,587	174,779	40,297
2019	5,820	1,397	4,423	451,469	241,079	67,218	173,861	40,263
2-YEAR RATE OF CHANGE (2017-18 & 2018-19)	-7.71%	-24.27%	-2.46%	-0.69%	-1.65%	0.57%	-2.51%	-2.92%
POST-PANDEMIC								
2020	5,676	1,397	4,359	449,826	225,582	62,161	163,421	39,131
2021	5,609	1,265	4,344	451,142	212,871	58,313	154,558	36,954
2-YEAR RATE OF CHANGE (2019-20 & 2020-21)	-3.76%	-10.43%	-1.82%	-0.07%	-13.25%	-15.27%	-12.49%	-8.95%
DIFFERENCE BETWEEN EXPECTED CHANGE & ACTUAL CHANGE	3.95%	13.83%	0.65%	0.62%	-11.60%	-15.84%	-9.98%	-6.03%

2021 Enrollment in the Pandemic Recovery Phase

Declines in enrollment between 2019 and 2021 due to program closures were offset by programs that remained open and increased their enrollment from pre-pandemic numbers and new programs that opened during the pandemic (see Figure 4). Nine hundred programs that closed during the pandemic between their licensing visit in 2019 and their follow-up in 2021 accounted for a loss of pre-pandemic enrollment of 16,498 children. This loss was offset by 422 new programs that opened during that same period, accounting for 10,630 spaces. Existing programs that were open and enrolled before the pandemic and stayed open through their follow-up licensing visit in 2021 reported

increases in overall enrollment by 25% (from enrollment of 135,004 in 2019 to 149,593 in 2021). Most of that growth was increased enrollment in existing FCCH programs where enrollment grew by 213%, but center-based enrollment increased as well by 15% from pre-pandemic levels.

Figure 4. ECE Systems and COVID-19 Cases in North Carolina January 2020 through January 2022, Birth-Five.



***Approximate timeline for predominant COVID-19 variants in North Carolina.**

***Note:** Staff, enrollment, and provider totals are updated on an annual rolling basis during licensing renewal visits so data presented in this chart are up-to-date within a 1-364-day time frame and may not fully reflect monthly changes during the pandemic.

Strengths & Areas of Growth for NCDHHS DCDEE

Several logistical aspects of NCDHHS's response to the COVID-19 pandemic illustrate North Carolina's ability to initiate swift and effective reactions to crisis. North Carolina's flexible legislative structure allowed for immediate action, including having a consolidated state-level NCDHHS agency structure allowing for aligned resources and coordination between state agencies, the general assembly, and the Governor's Office, which greatly improved efficiency. Moreover, NCDHHS DCDEE pivoted their operations quickly from primarily program oversight and implementation to administering funds to stabilize the system. NCDHHS DCDEE staff and leadership shifted to answering emails and calls to assist providers with the grant application processes. Although out of necessity, NCDHHS DCDEE leadership recognizes the importance of their participation for illuminating some of the issues in the ECE system. Theresa Roedersheimer, Infant-Toddler Policy Consultant at NCDHHS DCDEE said, "Through my involvement providing customer service for the operational and Stabilization Grants,

I have realized the business supports that are needed for providers, particularly our family child care homes. Some administrators lacked technology or computer skills to successfully fill out the application, and some were asking tax questions which we were not equipped to handle.”⁹ Now, NCDHHS DCDEE has hired staff dedicated to customer service for child care providers. In addition, the COVID-19 response highlighted a need for more statewide ECE data, including need for an ECE workforce registry, as well as systems to respond to data requests quickly and efficiently.

Priority Areas for Current & Future Stabilization Grant Efforts

Regarding grant efforts in the present and future, NCDHHS DCDEE is focused on several priority areas, including but not limited to workforce salary and benefits and workforce mental health. Many studies conducted throughout the COVID-19 pandemic by various sectors and agencies across the U.S. have focused on child care providers’ financial wellbeing and stress. The Early Childhood Education Journal published a study with survey findings about the financial impacts of the COVID-19 pandemic on ECE providers in Indiana. These findings indicated drastic increases across measures of financial stress after the onset of the pandemic compared to pre-pandemic levels; most significant were problems paying for food, utilities, and rent/mortgage.¹⁰

Evidence from numerous studies throughout the COVID-19 pandemic also illustrates the growing crisis that is educators’ mental health. Surveys from the Minnesota Child Care Policy Research Partnership gathered information about anxiety among child care providers across the state, finding several characteristics at both the program and individual level that predicted clinical levels of anxiety. For example, family child care providers were significantly less likely to report clinically anxious symptoms, whereas providers who did not feel confident in implementing health and safety practices were significantly more likely to be anxious.¹¹

Another study from EdPolicyWorks at the University of Virginia examined child care providers’ mental wellbeing, reporting survey findings that indicated increased rates of depression among surveyed educators.

The report states, “Almost a third of all childcare teachers as well as lead teachers in schools reported relevant levels of clinical depression.”¹² Given the abundance of emerging evidence pointing to the detrimental impact of the pandemic on child care providers’ mental health, in addition to providers’ personal anecdotes and testimonials, NCDHHS DCDEE has decided to prioritize provider mental health, demonstrated in 2020 by the establishment of the Hope4Healers Helpline as well as other initiatives in the works.

Lessons Learned

North Carolina has long been a leader in early care and education, and NCDHHS’s rapid response during the COVID-19 pandemic was no exception. NCDHHS ensured that ECE programs and families were provided needed financial support in a timely manner. As a result, child care program closures were lower than expected, even as enrollment numbers have dropped since 2020.

⁹ Child Care Services Association (2021). Infant-Toddler Educator AWARD\$® FY21 Final Report. https://www.childcareservices.org/wp-content/uploads/AWARDFinalFY21_FULL.pdf

¹⁰ Swigonski, N.L., James, B., Wynns, W. et al. Physical, Mental, and Financial Stress Impacts of COVID-19 on Early Childhood Educators. *Early Childhood Educ J*, 49, 799–806 (2021). <https://doi.org/10.1007/s10643-021-01223-z>

¹¹ Warner, M., Ulmen, K., & Li, Weilin. (2021, November 10). *Examining Anxiety Among Minnesota Child Care Providers During COVID-19*. *Child Trends*. <https://www.childtrends.org/publications/examining-anxiety-among-minnesota-child-care-providers-during-covid-19>

¹² Bassok, D., Michie, M., Cubides-Mateus, D. M., Doromal, J. B., & Kiscaden, S. (2020). *The divergent experiences of early educators in schools and child care centers during COVID-19: Findings from Virginia*. University of Virginia, EdPolicyWorks. <https://files.elfsightcdn.com/022b8cb9-839c-4bc2-992e-cefccb8e877e/710c4e38-4f63-41d0-b6d8-a93d766a094c.pdf>

Stabilization Grants continue to provide salary increases, bonuses, benefits, and mental health services for the ECE workforce, in addition to environmental improvements to ensure high-quality environments to meet children's developmental needs.

While the ECE system in North Carolina shows signs of stabilization and even perhaps rebounding, the system remains inadequate to fully support the needs of working parents; ensure access to high-quality ECE for all children and families who would like to access the system; sustain a well-trained, supported, and compensated workforce; and build data systems to track these efforts. NC has a commitment to sustaining not only its child care infrastructure but also ensuring that services provided are of sufficiently high quality to support children's needs, including underserved children from racially and linguistically diverse and rural communities. This is accomplished through continuous quality improvement efforts that are informed by ECE providers and teachers across the mixed-delivery ECE system. Finally, NC's rapid response to the COVID-19 ECE crisis was also possible because of a culture of quality, intentional leadership, and historic infrastructure.

